



NEW SOUTH WALES.

BUSINESS STATISTICS JANUARY, 1944.

C O N T E N T S.

PART I

PRIMARY & EXPORT INDUSTRIES.

RURAL INDUSTRIES - GENERAL. Seasonal conditions. Labour shortage. Bran and pollard controlled. Poultry marketings increase. Blue mould in Tobacco crop.

POTATOES. N.S.W. acreage.

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WHEAT: Harvesting conditions and grain sample favourable. Prospect of increased acreage.

MEAT: Rationing commenced. Maximum retail prices declared.

DAIRY INDUSTRIES. Production of Butter, N.S.W. and Australia, November, 1943.

PART II

FINANCE & TRADE.

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STATE ACCOUNTS: December, 1943.

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BASIC WAGE: February, 1943.

COMPANY PROFITS. Companies operating mainly in Australia, 1942/43.

PART I - PRIMARY & EXPORT INDUSTRIES.

GENERAL.

Seasonal Conditions. Heavy rains are urgently needed to relieve droughty conditions in the far west and south-west. Elsewhere conditions are favourable. With high temperatures inland the danger of bush fires is ever present, and considerable loss has resulted from outbreaks in the Young-Cootamundra districts. Devastating fires in Victoria caused heavy loss of life, stock, pastures, fodder and property. The Commonwealth has granted £200,000 for immediate relief.

RAINFALL INDEX - N.S.W.

Weighted average ratio of actual to normal rainfall.

Normal rainfall each month = 100.

Period	Sheep	Wheat Districts	Dairying (Coastal) Districts
Year 1942	111	110	97
1943	92	92	101
1943-July	67	83	6
Aug.	105	103	156
Sept.	116	122	128
Oct.	90	83	147
Nov.	170	171	209
Dec.	50	32	176

Rural Manpower. Attention continues to be focussed on the shortage of rural manpower. The shortage is particularly acute in the dairying industry and numerous claims have been made that failure to provide experienced labour earlier has already rendered the production goals for milk products impossible of attainment. In a recent attempt to solve the problem, dairy farmers have been asked to notify their precise labour requirements to National Service Officers by 20th January. At the same time men who worked on dairy farms for three months between 1939 and 1943, and are now otherwise employed, have been ordered to register by 24th January. The assistance of butter factory manpower committees was also sought in the endeavour to obtain information regarding men who have left the dairy farms.

Plans made at the beginning of October to divert a large number of workers from their present to more essential occupations provided for the release of 15,000 Servicemen to the rural industries.

Figures released by the Director General of Manpower (7th January) show that applications by former farm workers now in war industries to return to the land numbered only 250 and applications for the release of Servicemen 11,000. The Minister for the Army stated that up to 8th January approvals had been granted for the release of 4,413 soldiers and of about 7,200 routine discharges in October and November, approximately 1,500 had returned to food production. In addition 4,000 men were on temporary release from the Army.

Stock Fodder. Amendments to the National Security (Agricultural Aids) Regulations empower the Minister for Commerce to exercise control over stock feed when necessary. For the present only bran and pollard are to be controlled. With pastures drying off these commodities are important as supplementary feed in the dairying industry.

Poultry agents at the Municipal Markets reported (14th Jan.) a sharp increase in supplies. Offerings, however, were insufficient to satisfy the keen buying demand.

Tobacco crops are affected by a serious outbreak of blue mould, the development of which has been favoured by wet conditions.

POTATOES.

The area planted to potatoes in N.S.W. is expected to reach 33,000 acres in 1943-44. Contracts already signed comprise 11,400 acres for the early coastal crop and 20,000 acres (4,000 acres in excess of last year) in tableland districts. The bulk of the early crop, from which a yield of 30,000 tons is expected, has already been marketed. Crops on the Southern Tablelands need rain. In the New England district early planted crops are in satisfactory condition but heavy rain in November affected late planted crops, losses in some instances being heavy.

WHEAT.

Weather conditions have been fairly satisfactory for the harvest which is nearing completion in most districts in N.S.W. Indications are that the crop may exceed the forecast of 42.5 m. bushels. The grain sample is described as "quite well finished and of good bushel weight", but it is too early to assess the baking quality of the grain as a whole.

Prospect of a substantial increase in next season's wheat acreage is implied by advice given to wheat growers by the chairman of the Australian Wheat Board to retain sufficient seed to sow the maximum basic acreages under their licenses. The Chairman stated that important developments made it essential that flour mills throughout Australia should be kept going to fullest capacity. The Federal Government is expected to make a definite announcement on the position early in February.

WOOL.

Next season in N.S.W. Victoria and South Australia under the zone system of shearing, flocks of less than 1,000 sheep must be shorn in common with larger flocks if hired labour is employed.

MEAT.

Meat rationing by the coupon system commenced on 17th January. Rationed meat is divided into four grades, based on the popularity of the various cuts and their bone content. Under the general ration scale the allowance of meat is at the weekly rate of $1\frac{1}{2}$ lb., 2 lb., 3 lb., and 4 lb. in the respective grades. Children under nine years on 13th June, 1943, receive half this rate. Certain classes of meat are exempt from rationing by coupon e.g. sausages, tripe, liver, tongues, brains, poultry, rabbits, bacon, ham, canned and cooked meats, and all small goods. Meat in certain remote areas is also exempt.

Maximum retail prices were declared for various cuts of meat in the Sydney area, to take effect from 17th January. Previously, the prices were subject to the "prices ceiling" and were based on the prices charged on 26th February, 1943. The new maximum prices were designed to "iron out" variations in the ceiling prices of many retailers.

DAIRY INDUSTRIES.

The output of butter from factories in N.S.W. rose seasonally from 8.6 m. lb. in October to 11.6 m. lb. in November, which is little higher than 11.3 m. lb. in November, 1942.

Production in the five months ended November was 31.7 m. lb. or 3.5 m. lb. less than last year. The production target calls for an increase of about 9.5 m. lb. over the full year.

BUTTER PRODUCED - N.S.W. FACTORIES.
000,000 lb.

	Average '34-5/'36-7	1939/40	1940/41	1941/42	1942/43	1943/44
Year	121.1	112.0	103.7	85.1	93.8	...
Month - July	5.0	6.6	5.0	4.6	5.2	3.3
August	5.6	6.4	5.0	4.6	5.3	3.3
September	7.5	7.3	6.5	5.9	5.9	4.9
October	11.5	10.2	8.0	7.5	7.5	8.6
November	12.4	13.4	8.2	7.9	11.3	11.6
Total 5 months	42.0	43.9	32.7	30.5	35.2	31.7

3.

Australian factory production of butter, 64,912 tons, in the five months ended November was 7,971 tons below last year's level. Cheese production was 22 tons higher at 18,455 tons.

Production goals require 5,000 tons more butter and 9,500 tons more cheese in 1943-44 than in 1942-43.

BUTTER AND CHEESE PRODUCED - AUSTRALIAN FACTORIES.

Year	Month of November.		Five months ended November.	
	Butter.	Cheese	Butter.	Cheese.
	Tons	Tons	Tons	Tons
1941	17,605	3,852	70,027	14,685
1942	19,812	4,884	72,883	18,433
1943	20,947	5,596	64,912	18,455

The State Government has announced that dairy farmers in the Bowral-Moss Vale-Robertson area may obtain advances through the Rural Bank for the immediate purchase of stock fodder from inland areas for use during the winter.

PART II - FINANCE & TRADE ETC.

GENERAL.

Reports from overseas indicate that the basis of Lend-lease is undergoing review and that some areas and classes of goods, including machine tools, industrial equipment and permanent projects, have already been removed from the scope of lend-lease. The Minister for Trade and Customs revealed that certain capital goods were no longer being supplied to Australia by U.S.A. under lend-lease. The U.S. authorities have indicated, however, that exceptions to the general rule to transfer certain goods from lend-lease to cash purchase would be made where special circumstances existed.

A bill providing for the free supply of medicines as prescribed by doctors from a formulary of standard prescriptions is to be introduced by the Federal Government at an early date. Under the scheme pharmaceutical chemists will be paid a fixed fee for each prescription and the cost defrayed from the national welfare fund.

The "First Victory Loan" of £150 m. is to be opened officially on 28th March and will close on 9th May. Terms are the same as for recent loans; viz., Issue price at "par", and interest rates of $2\frac{1}{2}\%$ for shorter term and $3\frac{1}{4}\%$ for longer term securities. Currencies are 5 years and 16 years, with option to redeem after 4 years and 7 years respectively.

GOVERNMENT ACCOUNTS.

Commonwealth expenditure (£339.7 m.) in the first half of 1943/44 was about 24 m. less than half the estimate for the full year. In comparison with the first half of 1942/43, there was an increase of £31.5 m., of which £28.5 m. occurred in the first quarter and £3 m. in the second quarter. This was due to a rising rate of war expenditure until October, 1942, and a levelling off there after.

Revenue collections (after deducting income tax reimbursed to States) amounted to £127 m. This was £24.7 m. more than last year and consisted largely of income tax which was higher by £20 m.

COMMONWEALTH EXPENDITURE (EXCL. INCOME TAX REIMBURSED TO STATES).

£ million.

+ Service.	Estimates 1943.44	Month of December		Six months ended December.		
		1942	1943	1942	1943	Increase.
War (1939) from -						
Revenue	167.6	8.7	11.9	47.2	69.0	21.8
Loans	402.3	37.1	37.9	205.9	212.7	6.8
Total War.	569.9	45.8	49.8	253.1	281.7	28.6
Other Revenue Services.	117.9★	10.3	10.6	55.1	58.0	2.9
Total all Services.	687.8★	56.1	60.4	308.2	339.7	31.5

★ Excludes £27.4 m., unappropriated balance of £29.7 transferred to National Welfare Fund.

State. A substantial lag in receipts from income tax reimbursements evident in previous months was almost overtaken in December, when £1.1 m. was received from this source.

With a reduction in the deficit for the half year from £2,728,000 in 1942-43 to £2,606,000 in 1943/44, the combined State accounts reflect a small improvement of £122,000. There was an improvement of £523,000 in the position of the Consolidated Revenue Fund, in which receipts increased by £182,000 and expenditure declined by £341,000. This, however, was largely offset by a decline in the working surplus of the Business Undertakings (£132,000) and of the Main Roads Account (£269,000).

N.S.W. GOVERNMENT ACCOUNTS.Half year ended December.

Accounts	1942	1943	Increase or Decrease (-)
	£000	£000	£000
Revenue - Consolidated Fund	11,370	11,552	182
ø Business Undertakings	20,212	21,541	1,329
Main Roads	1,397	1,289	(-) 108
Total	32,979	34,382	1,403
Expenditure - Consolidated Fund	19,274	18,933	(-) 341
ø Business Undertakings	15,302	16,763	1,461
Main Roads	1,131	1,292	161
Total	35,707	36,988	1,281
Excess of Expenditure	2,728	2,606	(-) 122

ø Railways, Trans & Buses, Road Transport and Traffic Fund, and Sydney Harbour.

INTEREST RATES.

Bank fixed deposit rates for 3, 6 and 12 months terms were reduced by $\frac{1}{2}\%$ on 17th January. The 24 months rate was unaltered. Existing deposits are not affected by the change in rates until renewal. Since the outbreak of war, there has been a reduction of $1\frac{1}{2}\%$ in the rates for 6 and 12 months deposits and of 1% for 3 and 24 months deposits.

RATES OF INTEREST ON BANK DEPOSITS.

Date of Change	Fixed Deposits.				C'wlth. Savings Bank.		
	3 mths.	6 mths.	12 mths.	24 mths.	Under £500	£500 to £1000	£1000 to £1,300
	%	%	%	%	%	%	%
1936-March	2	$2\frac{1}{4}$	$2\frac{3}{4}$	3	2	$1\frac{3}{4}$	$1\frac{3}{4}$
1940-January	$1\frac{3}{4}$	$2\frac{1}{4}$	$2\frac{1}{2}$	$2\frac{3}{4}$	2	$1\frac{1}{4}$	$1\frac{1}{4}$
May	$1\frac{1}{2}$	2	$2\frac{1}{4}$	$2\frac{1}{2}$	2	$1\frac{1}{4}$	$1\frac{1}{4}$
1941-September	$1\frac{1}{2}$	$1\frac{3}{4}$	2	$2\frac{1}{4}$	2	$1\frac{1}{4}$	$1\frac{1}{4}$
1942-March	$1\frac{1}{4}$	$1\frac{1}{2}$	$1\frac{3}{4}$	2	2	$1\frac{1}{2}$	Nil
1944-January	1	$1\frac{1}{4}$	$1\frac{1}{2}$	2	2	$1\frac{1}{2}$	"

PRIVATE TRADING BANKS.

Cash items in the statement of Australian assets and liabilities increased by £7.5 m. in November. As in past months, most of the increase was placed in Special Wartime Deposit Accounts, which rose by £5 m. to £124.1 m. These deposits represent surplus investible funds in terms of the Banking Control Regulations and may be withdrawn only with the consent of the Commonwealth Bank. In the year ended November they increased by £69.2 m. whilst other cash items, including Treasury Bills declined by £10.4 m.

Deposits increased by £4.7 m. in the month and £63.5 m. in the year to £482.3 m. in November.

Advances, £235.9 m., decreased by £3.9 m. in November but Government Securities, £79.1 m., increased by £1 m. Over the past year a decrease of £13.2 m. in advances was more than offset by an increase of £13.4 m. in Government Securities.

NINE TRADING BANKS - AUSTRALIA.

Liabilities and Assets within Australia.

£ million.

Av. of Weekly Figures.	Deposits.		Total	Coin, Notes etc. & Cash at C ^t wealth Bank.	Treas- ury Bills.	Govt. & Municipal Securit- ies.	Special Wartime Deposits with C ^t wealth Bank.	Advances, Discounts, etc.
	Bearing Interest (Fixed)	Not Bearing Interest (Current)						
1939-June	200.9	117.1	318.0	28.6	23.9	22.1	-	291.7
1940 "	210.3	135.1	345.4	31.1	38.3	43.7	-	289.9
1941 "	204.9	155.1	360.0	33.3	36.1	61.9	-	283.7
1942 "	192.0	195.9	387.9	40.4	39.6	56.3	36.4	268.3
1943 "	197.4	256.1	453.5	33.4	50.8	75.7	102.9	246.0
1942-Sept.	190.5	208.6	399.1	51.5	45.6	57.3	40.6	258.5
Oct.	191.3	217.5	408.8	55.8	50.6	59.9	44.7	255.2
Nov.	191.6	227.2	418.8	49.7	59.9	60.7	54.9	249.1
1943-Aug.	205.1	259.7	464.8	40.0	57.2	76.0	104.7	243.4
Sept.	205.9	265.7	471.6	39.0	58.8	77.6	111.1	241.6
Oct.	207.2	270.4	477.6	37.0	59.7	78.1	119.1	239.8
Nov.	207.8	274.5	482.3	39.2	60.0	79.1	124.1	235.9

INTER-BANK CLEARINGS (SYDNEY).

Clearings, excluding transactions on account of Treasury Bills, totalled £1,442.3 m. in 1943. The increase as compared with the previous year, £193.8 m., was greater than in other wartime years; viz: £142.5 m. in 1940, £64.6 m. in 1941 and £109.1 m. in 1942.

The Index from which the effects of certain special transactions on account of Governments as well as Treasury Bills are eliminated, rose by 10% in 1943 and by 51% between 1939 and 1943.

INTER-BANK CLEARINGS: SYDNEY.

Period.	Amount of Clearings *			Index +		
	1939	1942	1943	1939	1942	1943.
	£m.	£m.	£m.			
Year	932.3	1,248.5	1,442.3	100	131	151
September	74.9	105.6	116.5	99	134	155
October	78.0	115.0	115.5	100	138	152
November	86.1	105.0	125.3	102	135	149
December	91.7	121.6	127.3	106	136	150

* Treasury Bill Transactions deducted.

+ Three months' moving average. Base: average in corresponding month 1926-1930 = 100.

REAL ESTATE.

Sales, £17.5 m., in 1943 were slightly higher in the second half of the year (£9.4 m.) than in the first half (£8.1 m.). They were steady at about £1.6 m. in each of the last four months, Sep./Dec.

A severe contraction in the pre-war volume is denoted by a decline by £14.6 m. (45%) since 1939. As compared with 1942 there was a decline of £4.1 m., but this occurred in the first four months. In the last eight months of 1942 and 1943 sales were equal at £12 m.

/Mortgages....

Mortgages represented about one-fourth of the 1939 total and were 28% below 1942 registrations. The decline as compared with 1942 was confined to the first half of the year.

REAL ESTATE TRANSACTIONS: N.S.W.

Thousand £.

Period	S a l e s.				Mortgages (incl. renewals).			
	1939	1941	1942	1943	1939+	1941	1942	1943
1st Quarter	8,510	7,617	7,370	4,070	5,657	3,797	2,887	1,488
2nd "	7,948	8,438	4,696	4,060	5,795	3,902	2,016	1,317
3rd "	8,921	8,651	4,827	4,713	6,221	4,254	1,589	1,281
4th "	6,778	8,533	4,716	4,699	4,759	3,677	1,515	1,670
Year	32,157	33,239	21,609	17,542	22,444	15,630	8,007	5,756

RETAIL PRICES.

+ Approximate.

Index Numbers of Retail Prices "C" Series declined in all States in December quarter. As compared with the previous quarter the Index number for Sydney decreased by 1% and for the Five N.S.W. Towns (weighted average including Sydney) by 1.1%. The weighted average Index numbers for the Six Capital Cities and Thirty Towns (including capital cities) decreased by 0.9%.

The decline was due to (1) operation during the whole of December quarter of the substantially reduced prices of tea and potatoes, which affected only two months of the previous quarter, (2) a seasonal fall in the price of eggs during December quarter. (3) further slight falls in retail prices of some articles of clothing resulting from the reduction in Sales Tax in July, 1943.

RETAIL PRICES^x (Index Numbers) "C" Series.

(Cost of food, groceries, housing, clothing and miscellaneous items.)

Area.	1939		1940	1941	1942	1943	
	Sep. Qr	Dec. Qr	Dec. Qr	Dec. Qr	Dec. Qr	June Qr	Sep. Qr
<u>N.S.W.</u>							
Sydney	933	943	1008	1048	1138	1165	1154
Five Towns (wtd. av.)	930	940	1005	1045	1135	1162	1151
<u>AUST.</u>							
Six capitals (" ")	916	926	986	1029	1122	1143	1133
Thirty Towns. (" ")	914	923	983	1026	1117	1140	1130

x Base: Weighted average in Six Capital Cities in 1923-1927 = 1000.

BASIC WAGE.

The basic wage is determined from time by the Commonwealth Court of Conciliation and Arbitration and, in the interim periods, it is adjusted in accordance with the movement in the "C" Series Index of Retail Prices. As from the first pay period in February the basic wage will be reduced by 1s. in Melbourne (new rate 97 s.), Adelaide (93 s.), Perth (93 s.) and Hobart (94 s.) and will remain unchanged in Sydney (99 s.) and Brisbane 93 s.).

SYDNEY BASIC WAGE - PREDOMINANT RATE.

Shillings per week. Adult males.

Year	Quarterly adjustment commencing:-			
	February	May	August	November.
1939*	81	82	81	82
1940	82	83	85	85
1941	88	88	89	89
1942	91	93	95	97
1943	98	98	100	99
1944	99

* commencing one month later.

COMPANY PROFITS.

Figures compiled by the Commonwealth Bank indicate that, after making provision for taxation, the profits disclosed by companies operating mainly in Australia were slightly higher in 1942/43 than in 1941/42. In respect of all companies for which results are so far available, the rate of profit on shareholders' funds was 5.9% in 1942/43 as compared with 5.8% in 1941/42. Among groups for which separate particulars are shown, the increase was greatest in manufacturing Food, Drink and Tobacco; Wholesale Distributors and Newspapers. Groups which showed a decline were Mining; Bricks, Glass, Cement, Timber, etc; Retail; Shipping.

COMPANIES:PROFITS AND DIVIDENDS AS PERCENTAGE OF SHAREHOLDERS' FUNDS.

Companies.	Balance dates in 1942.			Balance dates in 1943.		
	Shareholder's Funds.	Profits	Dividends	Shareholder's Funds.	Profits.	Dividends.
	£000	%	%	£000	%	%
Mining	16,430	7.6	6.1	16,559	6.9	6.2
Manufacturing -						
Food, Drink & Tobacco.	49,161	6.8	6.0	49,986	7.6	6.0
Bricks, Tiles, Glass, Cement, Timber, etc.	14,598	5.3	4.8	15,311	4.7	4.2
Distribution -						
Wholesale	13,532	6.1	5.2	13,847	6.9	5.2
Retail.	34,873	6.5	5.4	35,312	6.1	5.2
Services -						
Gas & Electricity.	16,385	6.0	5.3	16,638	6.1	4.9
Shipping.	9,188	9.3	4.8	9,569	7.9	4.5
Newspapers.	7,656	5.9	5.6	7,657	6.7	5.8
Finance -						
Banks.	44,462	3.6	3.4	44,494	3.6	3.4
Insurance & Finance.	14,434	4.2	3.6	14,502	4.5	3.8
Trustee & Insurance.	6,423	7.3	4.6	6,600	7.6	4.5
Total *	309,924	5.8	4.9	314,866	5.9	4.9

* Includes companies not shown in foregoing groups.

A decline in company profits from pre-war to 1941/42 is shown by the next table. The results for 1941/42 are complete and, therefore, are not comparable with the preceding table, which is limited to companies for which 1943 balance sheets are available.

COMPANY:PROFITS AS PERCENTAGE OF SHAREHOLDERS' FUNDS.

Companies.	Balance dates in					
	1937	1938	1939	1940	1941	1942
	%	%	%	%	%	%
Mining.	15.8	8.9	7.8	8.2	7.9	6.6
Manufacturing -						
Food, Drink & Tobacco.	8.4	8.5	8.4	8.5	8.6	7.5
Bricks, Tiles, Glass, Cement, Timber, etc.	8.8	9.1	7.6	7.3	6.7	5.3
Distribution -						
Wholesale.	6.8	5.9	5.6	6.7	6.4	6.0
Retail.	7.6	7.9	7.9	7.6	6.8	6.4
Services -						
Gas & Electricity.	6.7	6.3	5.8	5.4	5.7	5.4
Shipping.	6.1	6.8	7.7	5.3	5.2	6.6
Newspapers.	9.3	8.1	7.8	6.8	7.0	6.1
Finance -						
Banks.	4.1	4.2	4.2	4.2	4.0	3.6
Pastoral Finance	5.4	4.1	3.6	5.0	4.3	3.8
Trustee & Insurance.	8.1	8.8	7.7	7.5	7.8	7.3
Total.	7.5	6.9	6.7	6.7	6.2	5.7

The Bank remarked that, although most companies do not show the amount reserved for taxation, available evidence suggests that the greater part of the fairly substantial decline in profits in 1941/42 was due to increased taxation. In 1942/43, however, reservations made by 103 companies with shareholders' funds totalling £80.4 m. were considerably less than in the previous year.

Controllers of Canvas-ware and of Utensils and Appliances have been appointed in the Department of Supply and Shipping and manufacturers have been called upon to register. The control of utensils and appliances embraces crockery, cutlery, dairying utensils, domestic glassware, hollow-ware, kitchenware and tinware utensils.

A clothing census is to be taken on behalf of the Rationing Commission at 31st January, when retailers, wholesalers and makers-up are required to furnish particulars of their stocks of piece goods. The last census, taken at 31st July, included made-up clothing as well as piece goods.

Owners of pleasure boats are to receive a petrol allowance varying from one to four gallons per month, according to the length of the boat. The issue will begin in February and continue for three months, when it will be reviewed.